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An Assessment of the Post 2015 Global Development Agenda

by

Serge Svizzerro

and

Clem Tisdell

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Serge Svizzero¹

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Clem Tisdell²

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¹ Faculté de Droit et d’Economie, Université de la Réunion, France. Email: serge.svizzero@univ-reunion.fr
² School of Economics, The University of Queensland, St. Lucia Campus, Brisbane QLD 4072, Australia Email: c.tisdell@economics.uq.edu.au
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For more information write to Professor Clem Tisdell, School of Economics, University of Queensland, St. Lucia Campus, Brisbane 4072, Australia. (e-mail: c.tisdell@economics.uq.edu.au)
An Assessment of the Post 2015 Global Development Agenda

ABSTRACT

The international community plans to adopt a post-2015 agenda based on two previous agendas – the MDGs and the SDGs. This merger is motivated by similarities in their goals and the need for improved global governance. Both agendas are ill-defined and a gap exists between ends and means. The new unique agenda has numerous and varied goals which are potentially in conflict. Developed countries might face a dilemma between altruistic aid policies and the need for tied aid to encourage transformation towards a green economy. However, it can be argued that the new agenda provides scope for political compromise and flexibility.

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1. Introduction

In July 2012, the Secretary General of UN tasked a high-level panel of eminent persons with producing a proposal for what could be the post-2015 development agenda which will set the international community’s development agenda until 2030. There is an emerging consensus that, to be relevant, the post-2015 development agenda needs to go well beyond a poverty focus, given the dramatic changes in the international development landscape over the past two decades. In 1990, almost half of the population in developing regions lived on less than $1.25 a day. It is claimed (UN, 2014) that this rate dropped to 22 per cent by 2010, reducing the number of people living in extreme poverty by 700 million. However income distribution and relative poverty need to be carefully observed (OECD, 2013). Indeed, many of those who have escaped extreme poverty in the developing world are still poor, remain vulnerable and lack safety nets to cope with shocks. Moreover, concerns are mounting about the impact of greater inequality within developed, emerging and developing economies on growth, social cohesion and political stability. On the environmental front, the consequences of climate change are becoming more acute with each passing year. In addition, natural and man-made disasters in recent years have brought the issue of disaster risk reduction and resilience to the forefront of the development discourse. Therefore, the future development and sustainability goals are intended to encompass economic, environmental, and social dimensions and be applicable to all countries. In this way, they will unite the common interests of the prosperous, emerging and poor countries across the globe. Such proposal has been available since May 2013 (UN, 2013) and is now being seriously considered by the international community for adoption before the expiry of the MDGs (Millennium Development Goals). This future unique agenda can be considered to be, to some extent, a merger of two existing agendas, namely the MDGs on the hand and the Rio+20 process or SDGs (Sustainable Development Goals) on the other.

The MDGs were adopted by the UN in 2000 (UN, 2000). The eight MDGs range from halving extreme poverty rates to halting the spread of HIV/AIDS and providing universal primary education. Its goals 1 to 7 are directly about human and economic development in LDCs. Its goal 8 concerns all countries and more specifically the developed ones since it promotes the implementation of a global partnership for development. The goal 7 is about
ensuring environmental sustainability; its presence shows that from 2000, the connection between the development of LDCs and sustainable development was already clearly established. Therefore, the future unique agenda can be seen as a step forward in that direction.

During the Rio+20 Conference in 2012, governments agreed to launch a UN-led process to create a set of universal SDGs envisaged to be an international framework that will enable countries to better target and monitor progress across all three dimensions of sustainable development (social, environmental, and economic) in a coordinated and holistic way (UNCSD, 2012).

Both processes, post-MDGs and SDGs, have poverty eradication within the context of sustainable development as a primary objective, with the aim of using a global goal framework to achieve this. Therefore, it is believed that the two processes are likely to be brought together to create one set of goals for the post-2015 development agenda. As a result, the high-level panel of eminent persons (denoted HLP in the following; its composition is available from UN, 2013: 66-68) recommended a transformation to end poverty through sustainable development. It outlines five transformational shifts, applicable to both developed and developing countries alike, including a new Global Partnership as the basis for a single, universal post-2015 agenda. These five transformational shifts are:

- leave no one behind,
- put sustainable development at the core,
- transform economies for jobs and inclusive growth,
- build peace and effective, open and accountable public institutions, and
- forge a new global partnership.

The first four shifts are where the focus for action is mostly at the country level, while the fifth transformative shift, forging a new global partnership, is an overarching change in international cooperation that provides the policy space for domestic transformations. These five shifts are considered as priorities by the HLP. However, to be more specific, the HLP has proposed 12 possible goals: (i) end poverty; (ii) empower girls and women and achieve gender equality; (iii) provide quality education and lifelong learning; (iv) ensure healthy lives; (v) ensure food security and good nutrition; (vi) achieve universal access to water and sanitation; (vii) secure sustainable energy; (viii) create jobs, sustainable livelihoods and
equitable growth; (ix) manage natural resource assets sustainably; (x) ensure good governance and effective institutions; (xi) ensure stable and peaceful societies; and (xii) create a global enabling environment and catalyze long-term finance. In addition to these 12 goals, 54 national targets have also been defined (United Nations, 2013, Annex 1).

It should be noted that since the HLP produced its report in 2013, many actors, such as the OECD, have highlighted some weaknesses in it. Thus, these actors have produced more recent recommendations which however adopt the same approach as the HLP’s one.

Since the establishment of the MDGs, times have changed. The process of the shifting distribution of wealth has altered the way we think about the issues and the measurement of poverty reduction, social development and progress more broadly. The last decade has witnessed a rapid convergence in countries’ per capita income as parts of the developing world, especially because China and India grew faster than the advanced economies of the OECD. This growth and increasing heterogeneity within the developing world makes the so-called North-South division an outdated concept. Nevertheless, large disparities persist in standards of living, and worries still continue about the sustainability and environmental costs of economic growth. It is therefore the purpose of this paper to critically analyze the post-2015 global development agenda in relation to this recent evolution of aid policy and the challenges associated with it.

The paper is organized as follows. The genesis of the post-2015 global development agenda is briefly presented in Section 1. Section 2 highlights the objectives and the underlying motives of the MDGs. Section 3 is devoted to the SDGs and their related problems of definition and of responsibility. Section 4 presents the shortcomings that are common to both current agendas. Section 5 reviews possible problems that will be encountered by the future unique agenda, such as coordination failure, lack of aid effectiveness and the increased tied aid. Section 6 concludes.

2. The Genesis: One World – One Agenda

Many different reasons favor the adoption of a single agenda. Hence the advocacy is “one world-one agenda”. Indeed, such claim results from the two long-term main tendencies that have dominated the twentieth century. On the hand, there is economic globalization. It is a process that has been intensified over time by means of different flows at the international level, such as financial flows, trade of goods and services and human migrations. One of the
main consequences of this intensified process of economic globalization has been an increasing interdependency among stakeholders (such as nations-states, companies) and markets. Given this interdependence, it is nowadays impossible to imagine any country – especially a developing one - trying by itself to create economic growth and develop. Any national economic policy must take into account the huge influence of economic globalization. On the other hand, the twentieth century has seen the largest population increase ever experienced by humankind. There were approximately 2 billion people at the beginning of the twentieth century and 7 billion at its end. By the middle of this century, the global population may reach about 9 billion. This demographic increase has put more pressure on the economies and on the environment. Indeed, it is a great challenge for the humanity to feed and to get jobs and incomes for everyone. This challenge is moreover reinforced by the pressure put by this population increase on natural resources which has led to environmental degradation.

It is therefore obvious that both agendas, MDGs and SDGs, need to be linked. Indeed, many examples demonstrate the interconnection between them. People are fed by agriculture but agriculture depends on ecosystems. Similarly, water quality is central in any ecosystem and it is, at the same time, important for the eradication of poverty since it prevents various diseases. What the previous examples show, is that many challenges are common to both agendas and are global challenges. In fact, many examples, if not most, have the character of global or international public goods (GPGs) (Kaul et al., 2003); they transcend national borders and often affect all, or at least a multitude of countries. In other words, the existence of GPGs can be considered to a key for framing the post-2015 development agenda (Kaul, 2013). Examples of GPG-type policy issues are global climate stability, international financial stability, communicable disease control, peace and security, the institutional architecture of international trade and finance, global communication and transportation systems, and the fulfillment of global norms such as basic human rights. The study of GPGs raises a question common to both agendas and central for each one, namely identifying the governance requirements posed by global challenges. The eradication of poverty needs to tackle the central problem of better governance at the world level, especially among donors’ countries to avoid fragmentation of their action and coordination failures. Better governance is also needed to tackle at the world level environmental degradation. Since there is one world, improving its governance seems to require a single agenda.
3. Aid Policy: Heterogeneous Objectives and Underlying Motives

There is a huge literature about aid policy: some scholars (e.g. Easterly, 2001; 2006) claim that aid has done more harm than good, and others (e.g. Sachs, 2005) project a positive view of aid policy.

Heterogeneous Agendas and Motives

The nature of official overseas aid is heterogeneous. There is global multilateral aid, nation to nation aid, and from particular nations to groups of nations, and from groups of nations (such as the EU) to individual nations and groups of nations. All this aid is not necessarily driven by the same agenda or motives. Although unilateral government aid is claimed to be altruistic, it is not always so. In fact, much of it is based on self-interest. For example, aid to some Pacific Island countries is intended to act as an incentive to allow favorable access of the donor country to their natural resources (such as tuna, forests and minerals) or in return for votes from the country receiving aid on international bodies. For example, China and Taiwan provide aid to selected countries to facilitate resource-access. Japan is supposed to buy votes on the International Whaling Commission by giving overseas aid (and possibly by giving bribes) (Drezner, 2001). Therefore altruism is clearly not a strong motive in all cases.

Furthermore, individual countries or groups give aid to selected LDCs to prevent other countries increasing their political influence on them. Australian, French, New Zealand and US aid in the Pacific counters the possible influence of China, Japan and so on.

Another controversial matter is to what extent do countries use aid programs as a cover for spying or for collecting useful information about host countries. Aid may also be given in an attempt to stem ‘illegal’ migrants from LDCs, either environmental refugees or economic ones. Given how closely located Papua New Guinea (PNG) is to Australia, the latter has an interest in stemming contagious diseases in PNG. There are, for example, concerns that if Ebola should reach the Pacific islands that it will increase the risk of its occurrence in Australia. For similar reasons, i.e. because "the introduction or spread of the disease would pose an imminent and severe risk to public health in Canada" (Declaration of the Canadian immigration authorities), Canada on October 31, 2014 stopped issuing visas to people from the West African countries at the heart of the Ebola outbreak; Australia did it earlier in October.
Donor country also has an interest in the political stability of its near neighbors. In fact, some aid may be made to promote political stability of receiving countries out of self interest of donors, regardless whether these receiving countries are important trading partners or not. The provision of global pure public goods can also be a motive for aid; regional public goods are also relevant, for example, environmental spillovers from neighboring countries. However, the production of public goods (either global or regional) is subject to free riding (see Section 5).

Even “emerging” countries like South Korea, (one of the few countries which have successfully transitioned from a recipient to a donor in the last two decades) are experiencing conflicts between altruism and self-interest. Indeed Korea’s ODA displays a low ODA/GNI ratio, a high percentage of concessional loans compared to grants, a high portion of tied aid, regional bias, and a relatively large number of recipients.

Most multilateral actors – e.g. the Development Assistance Committee (DAC) and the European Commission (EC) – have other interests beyond development effectiveness. The EC is concerned with projecting a common European vision in international development and increasing the visibility of the European Union in international affairs, while the DAC tries to protect its role and relevance in the field of international development.

Varied stakeholders influence foreign aid. Domestic political pressure groups favoring increased overseas aid constitute influences. Some may be altruistic but many also have a self-interested motive because they obtain economic or social benefits from such programmes. The existence of such groups leads to several queries: who are their main clients, how does political lobbying affect the agenda of global public bureaucrats and how do they exert their influence? Many NGOs are in this situation, and also domestic public servants involved in the distribution of foreign aid have an interest in its maintenance. Indeed, one may asked to what extent do bureaucracies involved in aid promote ‘desirable’ goals by acting in their self interest? If it is true, as pointed out by Adam Smith, that self interest can be compatible with the pursuance of desirable goals, this may or may not apply to ODA. Moreover, it seems that altruism often evolves to a form of self-interest or exists together with some amount of self-interest.
Tied Aid

Since its creation in 1961, the OECD Development Assistance Committee has worked to improve the effectiveness of its members’ aid efforts. One major issue has been whether aid should be freely available to buy goods and services from all countries (“untied aid”), or whether aid should be restricted to the procurement of goods and services from the donor country (“tied aid”). Tying aid is condemned by DAC because evidence has shown that it increases the costs of a development project by as much as 15-30%. In addition, the administration of tied aid requires larger bureaucracies in both the donor and recipient countries. Untied aid avoids these unnecessary costs by giving recipient countries the freedom to use their aid to procure goods and services from virtually any country. Despite its efforts to accelerate the untying of aid by monitoring progress and offering guidance and recommendations, the OECD (2009) recognized in its 2009 review that: “Good progress is being made in untying aid in general and in reporting on the tying status of aid. 79% of all ODA is now untied, 17% is still tied and the tying status of only 4% of aid is not reported”. In fact, many OECD countries face a dilemma because East Asian countries focus on tied aid. China, for example sends Chinese to developing countries to complete infrastructure projects with most of the equipment and so on coming from China. The locals gain extra infrastructure but possibly little else. Tied aid results in imperfect competition among donors’ countries since it can be viewed as a subsidy given by the donor country in order to promote its exports. This feeling about tied aid is reinforced by the fact that secrecy surrounds many East Asian countries aid agreements with LDCs.

Although direct overseas aid (which is not multilateral) may not be tied, many of the economic benefits are still obtained by citizens of the donor countries. They gain by way of consultancies, from on-the-ground assistance to LDCs, and appropriate a large part of the aid funds for its administration. As pointed out by Milner and Tingley (2010, p. 204): “many studies of economic aid point out that domestic interests within donor countries seem to have a significant impact on how much and where aid is delivered, as domestic groups presumptively gain from these flows”. Similarly, Alesina and Dollar (2000) found considerable evidence that the direction of foreign aid is dictated by political and strategic considerations and that colonial past and political alliances are the major determinants of foreign aid. Economic needs and policy performance of the recipients’ countries are only second-order determinants. Furthermore, economic stagnation, increased unemployment and
mounting public sector debt in most OECD countries are putting governments under increasing public pressure to reduce ODA budgets and to use ODA in more explicit pursuit of their own economic and political interests.

An Incomplete Agenda

Many criticisms have been made of the MDGs. It has been claimed that they constitute an incomplete agenda. They are entirely concerned with development and poverty eradication. MDG 1-6 aim to achieve a basic level of income, education, gender equality and health but are only partially concerned with protecting our common environment. While some attention is paid to environmental sustainability (MDG 7), not enough is given to the economic and social dimensions of sustainable development. Moreover, some topics are completely left out such as peace, security and disarmament as well as human rights, democracy and good governance – despite the presence of MDG 8 for the latter. In addition, the MDGs framework overlooks inequality in income and access to opportunity (including access to infrastructure) and remains silent on how to meet basic human needs — and beyond — through self-sustaining growth and development.

4. Sustainable Development: Problems of Definition and Responsibility

A major problem is that the agenda does not say what sustainable development is. There are many definitions of SD (see, for example, Tisdell, 2005, Ch. 11). Furthermore, if there is agreement on what constitutes sustainable development, opinions often differ about the ways to achieve it. Some economists want strong limits on resource use whereas others feel that this is not necessary to achieve sustainable development. There are also controversies about the extent to which sustainable development is desirable (see, for example, Beckerman, 1994). Depending on the definition of what constitutes desirable development, sustainable development paths are not always the most desirable ones. Furthermore, deciding what is the most desirable development path involves significant value judgments and opinions differ on these normative aspects. Such problems are usually not taken into account in global agendas. These problems of SD definition are clearly present in some (not most) of the 12 goals suggested by the HLP. Indeed, what does ‘ensuring secure sustainable energy’ imply? What is ‘equitable growth’? For example, how much weight should be put on the welfare of future generations compared to current ones? Is it desirable to have sustainable livelihoods if this results in a much reduced level of income?
It is possible that by following SDGs some LDCs will generate insufficient economic growth to escape the Malthusian trap, for example, if they utilize their natural resources sustainably or very slowly and deplete their non-renewable natural resources. Indeed, the DACs did not develop by adopting sustainable use strategies and many also drew heavily on the natural resources of their colonies or other countries through international trade. Sustainable use strategies could slow the development of LDCs and their ability to reduce poverty. China’s recent economic growth was not based on sustainable use policies. Sustainable use policies could result in continuing impoverishment of many LDCs.

**Economic Globalization and the Trail of Responsibility**

The most developed countries have been accused of exploiting the natural resources of developing countries. This was particularly relevant while imperial (colonial) systems were in place. Today, some of the rapidly developing LDCs seem to be exploiting the natural resources (and sometimes labor) of poorer LDCs. For example, China is a major exporter of furniture and relies to a considerable extent on imported timber from Russia, some other developed countries, as well as LDCs. This adds to deforestation. In 2006, China imported approximately two-thirds of its logs from the Russian Federation. Papua New Guinea accounted for 6.4% and Myanmar for 3.2% (State Forestry Administration, 2009, p. 25). Other similar examples are available for most Asian countries. China and other Asian countries are repeating what many European countries did in the past to get economic growth but it is driven not by territorial imperialism but market imperialism. Several examples are available, and the actions of the exploiting LDCs are adding to the unsustainability of development. A further twist to this scenario is that the resources taken from the poorest LDCs may be often put into manufactured goods that are supplied to more developed countries. Therefore, the trail of ‘responsibility’ gets longer. Many consumers have no idea of the environmental consequences of their purchases, and possibly many do not care. This is a problem thrown up by the market system. Hayek (1948) extolled the market system arguing that all buyers need to know the relative prices of commodities for it to work efficiently. However, this assumes that environmental effects are insignificant as well as other possible social concerns about how commodities are supplied (Tisdell, 2011a).
5. Some Weaknesses Common to Both Existing Agendas

The development of global development agendas is particularly important for multilateral development agencies, because it provides them with a political purpose. Indeed, a major concern of such is their own survival and growth. The theory developed by Niskanen (1971) has some relevance here. He stated, initially considering the internal US situation, that the primary actors were bureaucrats and members of relevant Congressional committees. Bureaucrats seek to maximize objectives - income and perks - defined in terms of the agency's discretionary budget – the discretionary budget is the difference between the budget the Congress gives an agency and the cost to the agency of producing its output. In other words, bureaucracy behaves like a monopoly firm facing a downward sloping demand curve for the quantity of bureaucratic services as a function of the “price”. Committee members maximize re-election odds; since the politicians on the committee are there by choice, they will tend to be interested in an inefficiently large output from agencies under their jurisdiction (so they are willing to give more money than the full Congress would, but they expect it to be used as efficiently as the full Congress would). As a result of this interaction, bureaucrats want an oversized budget. Their overseers in Congressional committees want an oversized budget (relative to what the Congressional median would want). So we get an equilibrium. The implication for efficiency is that Congress will over-consume its common pool resource (tax dollars), leading to a growing spending deficit. Hence, Niskanen’s model gave a simple explanation for bureaucratic inefficiency (high price relative to marginal cost) and under-provision of services.

Niskanen’s theory can be applied to foreign aid. The international public (civil) services are interested in the survival and growth of their own bureaucracies. It helps to have a set of objectives or purposes because rationalism is the name of the game: means are needed to meet desirable ends. Therefore, if they can come up with a set of seemingly desirable ends, then they are well on the way to making out a case to be given the means. However, at the same time, the objectives (in the multilateral setting) must not be too specific – as is apparent in the case of the future post-2015 unique agenda. This leaves room for political maneuvering and can accommodate a range of somewhat different reviews of donors. Their vagueness plays a significant role in political compromise.

As stated by Easterly (2002), the environment that created aid bureaucracies led those organizations to define their output as money disbursed rather than service delivered and to
engage in obfuscation, spin control, (like always describing aid efforts as “new and improved”) and amnesia so that there is little learning from the past. In Easterly’s opinion the heart-breaking reality of aid isn’t so much that it didn’t work as that we in rich countries didn’t really care whether it did.

**Differentiated Background and Experience**

There has been considerable criticism of the MDGs since 2000, and some of the more virulent criticisms are in fact not against the MDGs *per se*, but against the ideology of development (Easterly, 2007). Despite these criticisms, one can however consider that the MDGs have some merit, because they have been acted on worldwide and have partly been reached. They do help target and monitor aid. In other words, this development agenda is not purely about theory; it exists in practice. It has been experimented with and this experience is valuable.

Note that before the adoption of MDGs in 2000 by developed countries, Western countries had been engaged in development aid since the end of the Second World War. Until the end of the cold war, in 1989, these policies consisted mainly of ODA. Since then aid from the private sector has grown large. Therefore, the public as well as the private sectors of industrialized countries have had a quite long experience in development aid policies.

Many – and especially the aid bureaucracy - consider that the fact that the MDGs have been partially met as being meritorious. However, the fulfillment of these goals is not entirely due to foreign aid. For example, China’s development in recent decades did not rely on much foreign aid but its development made a big difference to the achievement of the global MDG goals. Likewise, some other low income countries achieved the MDG goals mainly as a result of influences other than foreign aid. Overall, the impact of aid on the partial achievement of MDG goals may have been miniscule compared to other factors, even if the aid bureaucracy might suggest otherwise. However, there may have been indirect beneficial effects, e.g. suggesting desirable goals for governments and having them compare their results with those of other countries.

The international community has had an interest in sustainable development for several decades and this was strengthened by the first Earth Summit held in 1992 at Rio. Nevertheless, international agreements on topics related to SD have been hard to achieve, as was illustrated by the collapse of Copenhagen summit on climate change (held in December 2009). Moreover, when some international agreements on SD are finally reached, their
implementation and enforcement are very difficult to obtain as is illustrated by the Kyoto protocol\textsuperscript{9} adopted on December 1997 which placed a heavier burden on developed nations under the principle of “common but differentiated responsibilities”. In other words, many intentions, agreements and agendas are dedicated to SD but few of these are enforced and therefore the international community’s finds in that domain that achievements fall short of the MDGs. The real problem is that most people alive now are not prepared to make economic sacrifices to benefit future distant generations and/or do not consider it to be necessary. The motivations to increase current income via economic growth are very strong and given the nature and structure of our market system, this economic growth is needed to avoid growing unemployment (Tisdell, 1999, Ch. 6). Not many politicians want to slow growth to benefit distant generations. Furthermore, politicians choose between objectives relevant to sustainable development. For example, the CCP in China has chosen strong economic growth to promote social (political stability) at the expense of environmental sustainability. Now it is saving some of its own environmental resources by using those of others thereby adding to a global problem. This is what many developed countries did, however.

The weakness of the SDGs agenda is clearly illustrated by the Rio 2012 ideas on goals and indicators (UNCSD, 2012). In its report, the HLP itself recognized that \textit{“For twenty years, the international community has aspired to integrate the social, economic, and environmental dimensions of sustainability, but no country has yet achieved patterns of consumption and production that could sustain global prosperity in the coming decades”} (United Nations, 2013, p. 8).

\textit{PCD – Policy Coherence for Development}

Since the beginning of the twenty-first century, many commitments about policy coherence for development (PCD) have been made in various contexts. However, results have been modest, as governments in the North have found it difficult to go beyond their short-term political and economic interests. Indeed, poor outcomes are related to the widened agenda in international development and the domestic structures within individual countries. One may also claim that the search for PCD is in fact an attempt to shift responsibilities from aid agencies to actors involved in other public policy areas affecting developing countries.

In relation to sustainability, it could be argued that many DACs are hypocritical. On the one
hand, they provide some (but little) aid to slow deforestation in LDCs but at the same time, they engage in international trade\textsuperscript{10} that accelerates deforestation and which increases the amount of CO\textsubscript{2} in the atmosphere. The lack of policy coherence therefore also concerns the SDG agenda.

\textit{Ends and Means: a Recurrent Discrepancy}

Both existing development agendas involve another weakness relative to the discrepancy between their goals – and their means – i.e. the financing effectively provided. This can be illustrated from the decision taken by the UN in 1970 (OECD/DAC, 2010) which set a goal for its higher income members to provide 0.7\% of their GNP for development aid\textsuperscript{11}. Since 1970, this target has been continually reaffirmed by the UN and by leaders of countries and of international institutions. Even with the adoption of the MDGs in 2000 – in which goals are expressed in terms of result or impact and not in terms of means – “0.7” still refers to the repeated commitment of the world’s governments to commit 0.7\% of rich-countries (GNP) to ODA. However, except for a few Scandinavian countries, all the other countries have never reached this level of financing. In other words, the 0.7\% target has never been met collectively (0.29\% of GNI of all DAC in 2012) (European Parliament, 2014: 16). This example is not isolated but is significant. It leads to a central question without a clear answer, and therefore to a central problem: is it credible to build a future unique development agenda with goals from two existing agendas in which the required funding has never been reached?

6. \textbf{Some Potential Shortcomings of the Future Unique Post-2015 Development Agenda}

As claimed by the HLP itself, the unique post-2015 development agenda is based on five transformational shifts which can be illustrated by twelve main goals. In others words, even if there is a unique global agenda, it will include many goals, some being more related to the MDGs and the other being more related to SDGs.

\textit{One Agenda, Many Goals}

While it is proposed to have one development agenda, questions arise about the relationships between these different goals. Are they all consistent or not, and if they are consistent, are they complementary or substitutes and, if it is the latter, to what extent are they substitutes? Is there some form of competition among goals? This question is of great importance. Indeed, there are very few examples of economic sectors – except arguably ecotourism for instance –
where goals are fully consistent, i.e. economic sectors which are able to create jobs and wealth in a competitive manner and to protect environment at the same time. Even for ecotourism, the results can be contentious. For example, rich eco-tourists often arrive by plane and outside the eco-tourist area have a negative environmental footprint. Sometimes projects designated as involving ecotourism only qualify in name. For instance, local people are removed to make way for ecotourism developments, e.g. the displacement of Bushmen (the !Kung) in Botswana.

Even if some goals are consistent, it should be noted that correlation does not necessarily imply causality. If causality exists among goals, then some kind of ranking or hierarchy is needed between them. Agricultural policy can illustrate how such hierarchy emerges. If agricultural development is unsustainable, it may be possible to feed people (and thus contribute to reducing poverty) in the short-term but in the long-term environments will be destroyed and poverty may increase again. Therefore, in order to reduce poverty in the long-term, it is necessary to have priority goals in the short-term, namely to concentrate efforts on sustainable agriculture. Here the causality is clearly from sustainable agriculture to the eradication of hunger and poverty. The extent to which sustainable agriculture is compatible with these goals is unclear. For example, is sustainable intensification of agriculture possible?

The problem of causality is in fact much more important if we analyze in detail the various goals present in both agendas because some of them are final goals while others are intermediate goals – or preconditions. Indeed, the majority of the MDGs refer to improvements in the wellbeing of individuals, they are thus near final goals of human development (education, health, access to water) to be measured at the micro-level. The SDGs agenda also involves such goals (water, biodiversity), but also ones that refer to the preservation or establishment of global public goods (limiting deforestation, improving financial stability) that can thus only be measured at the macro-level. The latter are not near final objectives, but preconditions for sustainable development. One can therefore wonder if it is consistent to put final goals and preconditions side by side in a single agenda?

Proponents of an SDG agenda further criticize some aspects of the MDGs. They claim that the latter are generally short to medium-term and thus run counter to policies that are oriented towards sustainability, which necessarily have to be inherently longer-term. Moreover, they consider that central areas of sustainable policies – chiefly environmental objectives – are not reflected sufficiently in the MDGs.
### Aid Effectiveness?

During the last decades, many concerns have been raised to the effectiveness of aid. One main criticism is that aid delivery fails to give enough attention to the behavior of the recipients, e.g. the poor (Banerjee and Duflo, 2012). A prime message of these authors is the need to empirically examine the behavior of the poor in order to devise policies that may assist them. The poor do not act in the way suggested by some stereotypes: e.g., supplying opportunities to the poor does not always result in the poor taking advantage of these opportunities. They point out that some measures of the delivery of benefits to the poor can be very misleading. An example is school enrolments. Enrolled students in developing countries often fail to attend school regularly, teachers often do likewise and may not teach when they are present, and so on. The situation is much more complicated than is realized. Therefore this approach does at the very least signify a remarkable significant shift in academic development economics. The agenda of this new literature can be summarized as follows: take one step at a time and make sure it is a positive step. As stated by Easterly (2005, p. 7): “I believe this shift in focus and ambition, which may have been an accidental consequence of the commitment to the RE (randomised evaluation) methodology, is actually a greater contribution to the development literature than the methodological one”.

Another main criticism is the lack of coordination in donors’ policies. The latter reflects not only the lack of governance at the world level with respect to national aid policies but also the fragmentation of aid policy at the national level. Efforts of the international community to improve coordination and aid effectiveness have led to the adoption of the Declaration of Paris (OECD, 2005) and to subsequent declarations at world summits held at Accra (2008) and Busan (2011). Despite these efforts, aid effectiveness has not really been improved. The main reason is that there is no division of labor among rich countries with respect to aid policies. With a unique development agenda, including numerous and varied goals, derived from MDGs and SDGs, one can wonder whether the coordination failures previously observed about aid policies are going to disappear or, on the contrary are going to be much more important. In other words, what will be the division of labor among countries – developed and developing ones – enabling the post-2015 development agenda to be successful? While all the transformational goals seem desirable, on closer analysis, they are somewhat vague, and this leaves this argument rather open. Politically, this may be motivated by the desire to provide scope for compromise between the parties.
Another central question is about the link between goals and related policies. Indeed, it is obvious that some goals are common to the MDGs and the SDGs, as illustrated for example by MDG 7. Both existing agendas are concerned about global challenges, i.e. they share the overlapping goals. However, the interdependence between goals does not necessarily mean that a unique policy should be applied. In order to illustrate this claim, one can consider the analysis of economic growth in a simple economy. From the input-output analysis, it is possible to know the interdependence between key sectors such as agriculture and industry. We also know, at least from the Industrial Revolution, that this interdependence is at the core of economic growth. However, many countries have adopted not one but two separated policies, one for the agriculture sector and the other for the industry. Even if goals are common, they do not imply the implementation of the same policy. Foreign aid, on the one hand, and cooperation about GPGs on the other hand, need to be governed according to its own logic. In the case of development cooperation, the primary focus must be on the country context, and in the case of GPGs provisioning, it must be on the good whose provision level or shape is to be enhanced.

Production of GPGs and Free Riding

Following the seminal work of Samuelson (1954) on public goods, the notion of global public goods appeared sometime in the early 1990s in the context of global environmental issues (e.g. Nordhaus, 1994). GPGs are commodities for which the cost of extending the service to an additional person is zero and for which it is impossible or expensive to exclude individuals from enjoying these. What is central about GPGs is that if some problems arise for them, there is no market or government mechanism that contains both political means and appropriate incentives to implement an efficient outcome. While the provision of global pure public goods can be a motive for aid, there is the problem of free riding. Indeed, in the conventional case, stemming from the original Samuelson 1954 model, comes where the production of the GPGs is simply the sum of the contributions of the different producers. This is exemplified by global warming, where total emissions are equal to the sum of the emissions of different parties. In this additive case, efficient provision requires the familiar rule that everyone contribute to the point where private marginal cost equals social marginal benefit. Thus the additive case would provoke the standard syndrome of free riding and under-provision of the public good, with small and poor countries under-providing more than large and rich countries (Nordhaus, 2006).
Aid policy: A Dilemma?

Countries that are DAC members mostly claim that their aid policy is based on pure altruism. For instance, these countries commit to not tying the aid they provide to developing countries. However, such claims are dubious because even untied aid can be motivated by self-interest (see Section 2) and there still exist many examples of tied aid. Concerning the latter, often businesses in donor countries favor tied aid because it increases their chances of getting contracts. The same is true of domestic NGOs. Universities can also benefit. For example, scholarships for students from developing countries are usually only tenable in the donor country. The lion’s share of research monies for research projects in LDCs usually go to the nationals of the donating country.

On the other side, the SDGs agenda necessitates a rapid shift to sustainable patterns of consumption and production, harnessing innovation, technology, and the potential of private business to create more value and drive sustainable growth. Despite the stated aspirations of the international community in the twenty years to bring about this transformation, little has changed. The main problem is that companies’ strategies are profit-oriented and that sustainable development is not yet (sufficiently) valued by markets. Moreover, the principle of common but differentiated responsibilities, as set out in principle 7 of the Rio Declaration, puts a heavier burden on rich countries and gives them incentives to behave in a non-cooperative manner, leading to sub-optimal outcomes. In order to encourage the shift towards a green economy, the governments of rich countries are therefore constrained to subsidize companies delivering foreign aid. With a unique development agenda, the rich countries are therefore potentially facing a dilemma. On the one hand, their aid policy is based on altruism and they condemn tied aid. On the other hand, they must provide fiscal incentives and subsidies to their firms to promote a global green economy. In the future, there may be a great temptation for any rich country to tie its aid given to poor countries, i.e. to mandate that the aid be spent on sustainable goods, services and technologies produced by firms of the donor country.

7. Conclusion

The creation of a single post-2015 global development agenda has merit if one believes that policies are best formulated in the context of rational decision-making models in which defined ends or objectives should be related to available means. From a deterministic point of
view, the adequacy of such models depends on the objective being well defined, their means being identified and the consequences of utilizing means being adequately related to the ends. While the proposed post-2015 development agenda goes some way towards satisfying the conditions for rational choice (based on the type of model), it does not satisfy the conditions fully, as has been pointed out.

Nevertheless, it cannot be concluded that this is a failing. Not all scholars are convinced that the type of rational decision-making model involving a specific formulation of means and ends is in fact rational. Lindblom (1977; 1959) has persuasively argued that such an approach is not practical given social conflicts (requiring political compromises) and bounded rationality (Tisdell, 1981, pp. 15-17). Not only do the diverse priorities of nations have to be satisfied as far as global development policy is concerned but some flexibility in goals is needed to allow for changing circumstances including changes in public opinion. It can be concluded that by not fully satisfying the rational choice model, the proposed post-2015 global development agenda involves a sensible compromise between a tightly specified rational choice model and a more open-model for social choice.

8. Notes

1. For instance the OECD has started work on the paper series 'OECD and Post-2015 Reflections.' The series entails an overview paper and eleven elements (organized into two categories: outcomes, including principles and underlying future goals; and tools for achieving existing and developing future goals), each of which focuses on different areas that are crucial for the success of the post-2015 development agenda: [http://www.oecd.org/dac/post-2015.htm#Current](http://www.oecd.org/dac/post-2015.htm#Current) (Accessed October 14, 2014).

2. One notable exception is European Parliament (2014).

3. As shown by the numerous discussions and controversies about the MDG 8 devoted to the global partnership for development.

4. E.g. the programme of the US for polio vaccination in Pakistan was a cover for spying.


6. From 1999-2001 to 2008, the proportion of untied bilateral aid rose progressively from 46% to 82%.

7. Kawai and Takagi (2004) have illustrated this situation for the case of Japan’s ODA.

8. See the Introduction of the present paper.
9. The Kyoto Protocol was adopted in Kyoto, Japan, on 11 December 1997 and entered into force on 16 February 2005. The detailed rules for the implementation of the Protocol were adopted at COP 7 in Marrakesh, Morocco, in 2001, and are referred to as the "Marrakesh Accords." Its first commitment period started in 2008 and ended in 2012.

10. For example, as pointed out by Tisdell (2011b) the EU imports palm oil for various purposes (e.g. production of biofuel in Germany) but this increases the demand for palm oil which accelerates deforestation, a result opposite to the recommendations of the United Nations Collaborative Program on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD Program). This program was created in September 2008 to assist developing countries to build capacity to reduce emissions and to participate in a future REDD+ mechanism. For the purpose of this strategy, REDD+ refers to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries.


12. See e.g. Munro (2005), Andersen and Therkildsen (2012).

13. It has been claimed that on average, any rich country had partnerships with about 100 developing countries.

14. The twelve possible goals are rather more definite but many can be interpreted differently. For example, views can differ about what constitutes good governance, and the means for achieving these goals do not seem to be explored as yet.

15. Public goods have the two key properties of non-rivalry and non-excludability. However economists often refer to goods that do not fully meet the two criteria, but have significant public attributes, as ‘impure’ public goods. Goods that are non-rival but excludable are often called ‘club goods’, and those that are non-excludable but rival are called ‘common pool resources’.

9. **List of Notations**

CCP : Chinese Communist Party

DAC : Development Assistance Committee
GDGs : Global Public Goods
HLP : High-Level Panel of Eminent Persons
LDC : Least Developing Countries
MDGs : Millennium Development Goals
ODA : Official Development Assistance
PCD : Policy Coherence for Development
SDGs : Sustainable Development Goals
UN : United Nations
UNCSD : United Nations Commission on Sustainable Development

10. References


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